

Department of the Army
Final Guidance on the Implementation of the
Travel and Transportation Reform Act (TTRA) of 1998

- **Use of the Travel Charge Card:**

- Section 2 (a) of TTRA requires all Federal employees to use the government travel charge card for all payments of expenses for official government travel.
- To implement this section of TTRA, commanders will ensure that all personnel use the government-sponsored, contractor-issued travel card for all expenses arising from official government travel unless otherwise exempted in the paragraph below. Commanders at all levels shall determine which employees within their organizations must have a travel card to comply with this requirement.

- **Exemptions:**

- Section 2 (b) of TTRA allows the Secretary of the Army to exempt any expenses, person, types or classes of Army personnel, type or class of expenses from the provisions of Section 2 (a). The following are blanket exemptions which require no additional documentation.
- Types or classes of personnel:
 - Employees who have an application pending for the travel charge card.
 - Individuals traveling on invitational travel orders.
 - New appointees to civil service.
 - Cadets of the United States Military Academy, members of the Reserve Officer Training Corps, and all military personnel undergoing initial entry (Basic Training) or initial skill training (Advanced Individual Training) prior to reporting to their first permanent duty station.
 - Military and civilian personnel who are denied travel charge cards or whose travel charge cards have been canceled or suspended for financial irresponsibility or for other specific reasons.
 - Hospital patients.
 - Prisoners.
 - Military or civilian personnel during (a) a period of war; (b) a national emergency declared by the President or the Congress; or (c) mobilization, deployment, or contingency operations.

- Military or civilian personnel traveling to or in a foreign country where the political, financial, or communications infrastructure does not support the use of a travel charge card.
- Military or civilian personnel whose use of the travel charge card, due to operational, security, or other requirements of a mission, would pose a threat to national security, endanger the life or physical safety of themselves or others, or would compromise a law enforcement activity.
- Military and civilian personnel in a Permanent Change of Station status.
- Direct and indirect hire foreign nationals.
- Individuals employed or appointed on a temporary or intermittent basis upon a determination by the individual's commander that the duration of the employment or appointment or other circumstances pertaining to such employment or appointment does not justify issuance of a travel charge card to such individual.
- Individuals who travel infrequently upon a determination by their commander or other appropriate official that anticipated travel does not warrant issuance of a travel card to such individual. For example, an individual who is anticipated to travel less than once a year or for only a few days may not warrant issuance of a card.
- Types or classes of expenses:
 - Those incurred at a vendor that does not accept the government-sponsored, contractor-issued travel charge card.
 - All expenses covered by the "meals and incidentals" portion of the per diem allowance.
 - Laundry/dry cleaning.
 - Parking.
 - Local transportation system fares.
 - Taxi fares.
 - Tips.
 - All local and long distance telephone calls.

- The following type or classes of expenses are not exempt: Lodging, rental cars and transportation services. However, we will continue to purchase transportation services (e.g., air lines, trains or other commercial transportation) through our Commercial Travel Offices using centrally billed accounts, rather than using the individual travel charge card.
- When a type or class of personnel or expense is exempt, one or a combination of the following methods of payment may be authorized for travel expenses: (1) personal funds, including cash or a personal charge card; (2) travel advances; or (3) Government Travel Requests. City Pair contractors are not required to accept payments under (1) or (2). In addition, an individual exempt from required use of the travel charge card may still use the travel charge card on a voluntary basis for official travel expenses.
- **Collection of Amounts Owed:**
 - Section 2 (d) of TTRA states that DoD may, upon written request from the contractor, collect by deduction from the pay of any DoD employee any undisputed amounts owed to the contractor.
 - Section CB 16 of the GSA SmartPay master contract provides the contractor with a process to collect undisputed amounts owed by cardholders. Should you receive any such requests from the contractor, direct them to use the process outlined in Section CB 16 of the GSA SmartPay master contract to collect any debts owed by military or civilian cardholders.
- **Reimbursement of Travel Expenses:**
 - Section 2 (g) of TTRA requires DoD to reimburse employee travel expenses within 30 days after submission of a proper settlement voucher. If DoD fails to reimburse these expenses within 30 days, they shall pay the employee a late fee.
 - In order to obtain this fee, travelers must submit a Supplemental Voucher claim (DD Form 1351-2), through the same channels as the original claim, identifying the Late Payment Fee in the Reimbursable Expenses block on the DD 1351-2. Additionally, copies of the Advice of Payment, the original voucher and the original orders must be included with this claim. When the Defense Travel System (DTS) is deployed the supplemental voucher process will no longer be required. The DTS will automatically determine if a Late Payment Fee is required, compute the Fee, and add it to the settlement voucher for inclusion in the original payment.
 - The Late Payment Fee will be calculated in accordance with the following procedures:
 - The 30-day clock starts when the traveler submits a completed proper travel claim to his or her supervisor or Travel Approving Official (AO). The day the Supervisor or AO signs the claim is day one and that date will be noted in the

supervisor's signature block on the newest revision to the DD Form 1351-2 or in block 22 of the current versions (signature and date are required regardless of the version). If the supervisor or AO determines the claim is incomplete or not proper, it will be returned to the traveler for correction. The clock does not start until a completed, proper, claim is submitted. Supervisors or AOs should maintain documentation to track receipt and submission of travel claims. For example, travel claim form could be annotated with the date of receipt by the approving official. Travel claims submitted electronically to the approving official could be considered to be received on the submission date indicated on the e-mail, or on the next business day if submitted after normal working hours.

- If a travel claim contains any error that would prevent payment by the Defense Finance and Accounting Service (DFAS) within 30 days after it is submitted, the claimant shall be notified about the error within seven calendar days after submission of the claim. The notification shall include the reason(s) why the travel claim is not correct. The 30-day time clock does not stop if the travel claim is returned for an error that prevented payment.
- The 30-day clock stops when the travel claim is paid, the date noted on the Advice of Payment received from the paying finance office, and that is the last day counted. Subtract 30 days from this number. Only late days are used in determining the Late Payment Fee.
- The number of late days is then multiplied by the Daily Prompt Payment Act Interest Rate (DPPAIR), currently .0001875 (6.75%/360). That answer is then multiplied by the final payment amount. The final payment amount for computing the Late Payment Fee is what is due and payable on the final settlement. It does not include any partial or interim payments, or any amounts taken as government paid advances. Please note that Late Payment Fees of less than \$1.00 will NOT be paid.
- The following are some examples of how later payment fees would be calculated:

#1. Traveler returns from TDY on May 3, 2000. Completed, proper voucher and submitted it to the supervisor on May 10, 2000. Advice of Payment date June 7, 2000. Settlement amount \$1000.00 and DPPAIR .0001875. No Late Payment Fee is earned. Only 29 days have past. Note that NO credit is given for the time between when the traveler returned and when the voucher was submitted.

#2. Traveler returns from TDY on May 5, 2000. Completed, proper voucher and submitted it to the supervisor on May 12, 2000. Advice of Payment date June 12, 2000. Settlement amount \$1000.00 and DPPAIR .0001875. A Late Payment Fee may be payable because the settlement took 32 days. To compute the amount owed as a Late Payment Fee: 32 days - 30 days = 2 days late. $2 \times .0001875$ (interest rate) \times \$1000.00 = \$0.375 or 38 cents. While a Late Payment Fee of 38 cents is owed, no payment less than \$1.00 will be made. When a payment is to be made,

the payment will be made in the same manner as the original voucher payment (EFT, if EFT or check, if check).

#3. Traveler returns from TDY on May 3, 2000. Completed, voucher to the supervisor May 10, 2000. Voucher returned to traveler for correction as incomplete/improper on May 16, 2000. Voucher resubmitted to supervisor May 17, 2000. Advice of Payment date June 14, 2000. Settlement amount \$1000.00 and DPPAIR .0001875. A Late payment Fee is NOT due. While this payment took 36 total days from the original submission, it only took 29 days from the submission of a proper voucher. Thus, no Late Payment Fee is due.

- Claims handled as "doubtful claims" by finance offices will have the clock suspended until the claim is resolved. If the claim is determined to be proper, the clock starts on the day the claim was originally submitted to the Supervisor/AO and the clock stops when paid. If the claim is denied, no Late Payment Fee is earned. If part of the claim is denied and part is upheld, the part that is upheld is entitled to the Late Payment Fee.
- The Internal Revenue Service has determined that the Late Payment Fee is reportable interest income and these late payment fees are to be reported on the individual income tax returns. (DFAS) will issue 1099s for all late payment fees.
- DoD Component travel systems shall be modified as necessary to capture the date of submission of a proper travel claim and compute entitlement for late payment fees due as a result of untimely settlement.
- Pending development and deployment of necessary system changes to implement the requirement set forth above, each payment advice produced for a travel settlement shall advise the traveler of the potential entitlement to late payment fees, and refer the traveler to a DFAS web site. The DFAS shall include on its web site a "settlement time" calculator that estimates the late payment fees due travelers, if any. No such statement will be required on a payment advice once the applicable travel system has been modified.